Judy Martz, Governor

P.O. Box 200901 · Helena, MT 59620-0901 · (406) 444-2544 · www.deq.state.mt.

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Dear Reader:

Enclosed for your review and comment is the Draft Environmental Impact Statement (EIS) for the proposed Continental Energy Services, Inc. Silver Bow Generation Project. The project includes upgrades to Montana Power Company's natural gas pipeline between Cut Bank and Morel.

Continental Energy Services is seeking an air quality permit from the Montana Department of Environmental Quality (DEQ) for its proposed natural gas-fired combustion turbine generation plant and a Montana Pollutant Discharge Elimination System (MPDES) permit to discharge waste water from the generation plant. In association with this generation plant, Montana Power proposes to add three 20-inch loops to its pipeline, construct one new compressor station, and upgrade two existing compressor stations. The Draft EIS analyzes the potential impacts of these proposals, as well as the potential impacts of alternatives: 1) No Action; and 2) the Proposed Action with Mitigation Measures. The Draft EIS addresses issues and concerns raised during public scoping meetings in Helena on March 19, 2001, Choteau on March 20, 2001, and Butte on September 13, 2001. Application materials are available for review at the DEQ office in Helena.

DEQ has selected the Proposed Action with Mitigation Measures as its preliminary preferred alternative. This is not a final decision. The preferred alternative could change in response to public comment on the Draft EIS, new information, or analysis that might be needed in preparing the Final EIS.

Public comments concerning the adequacy and accuracy of the Draft EIS will be accepted until January 22, 2002. Written comments may be sent, postmarked no later than January 22, to the Montana Department of Environmental Quality, Permitting and Compliance Division, P.O. Box 200901, Helena MT 59620-0901, Attn: Greg Hallsten. Comments may also be sent via e-mail to Silverbow_Generation_Comments@state.mt.us.

Public hearings will be held to receive oral or written comments in Choteau on January 16 at 7:00 pm at the Choteau Elementary School; in Helena on January 17 at 7:00 pm in the Jim Darcy School music room; and in Butte on January 19 at 1:30 pm at the Red Lion Hotel. The hearing in Butte will also serve as a formal hearing on the draft MPDES permit, which can be found in Appendix D of the Draft EIS.

Since the Final EIS might only contain public comments and responses, and changes to the Draft EIS, please keep this Draft EIS for future reference.

Sincerely,

Jan P. Sensibaugh

Director

